

E AND R AMENDMENTS TO LB 551

Introduced by Enrollment and Review Committee: McGill, 26,  
Chairperson

1           1. Strike the original sections and all amendments  
2 thereto and insert the following new sections:

3           Section 1. Section 13-2602, Revised Statutes Cumulative  
4 Supplement, 2006, is amended to read:

5           13-2602 (1) The Legislature finds that it will be  
6 beneficial to the economic well-being of the people of this  
7 state that there be convention and meeting center facilities,  
8 sports arena facilities, and hotel facilities of appropriate size  
9 and quality to host regional, national, or international events.  
10 Regional refers to states that border Nebraska; national refers  
11 to states other than those that border Nebraska; and international  
12 refers to nations other than the United States.

13           (2) The Legislature further finds that such facilities  
14 may (a) generate new economic activity as well as additional state  
15 and local taxes from persons residing within and outside the state  
16 and (b) create new economic opportunities for residents.

17           (3) In order that the state may receive any long-term  
18 economic and fiscal benefits from such facilities, a need exists to  
19 provide some state financial assistance to political subdivisions  
20 endeavoring to construct, acquire, substantially reconstruct,  
21 expand, operate, improve, or equip such facilities.

22           (4) Therefor, it is deemed to be in the best interest of  
23 both the state and its political subdivisions that the state assist

1 political subdivisions in financing the construction, acquisition,  
2 substantial reconstruction, expansion, operation, improvement, or  
3 equipping of such facilities.

4 (5) The amount of state financial assistance shall be  
5 limited to a designated portion of ~~new state~~ sales tax revenue  
6 ~~attributed to such facilities and defined events hosted at such~~  
7 ~~facilities, collected by retailers and operators doing business at~~  
8 ~~such facilities, including primary and secondary box office sales,~~  
9 ~~merchandise sales, and contracted labor for which sales tax is~~  
10 paid.

11 Sec. 2. Section 13-2603, Revised Statutes Cumulative  
12 Supplement, 2006, is amended to read:

13 13-2603 For purposes of the Convention Center Facility  
14 Financing Assistance Act:

15 ~~(1) Attributable revenue means new state tax revenue~~  
16 ~~generated due to the construction of the eligible facility,~~  
17 ~~employment at the eligible facility, and spending by participants,~~  
18 ~~increased by the applicable investment multiplier;~~

19 ~~(2) (1) Board~~ means a board consisting of the Governor,  
20 the State Treasurer, the chairperson of the Nebraska Investment  
21 Council, the chairperson of the Nebraska State Board of Public  
22 Accountancy, and a professor of economics on the faculty of a  
23 state postsecondary educational institution appointed to a two-year  
24 term on the board by the Coordinating Commission for Postsecondary  
25 Education. For administrative and budget purposes only, the board  
26 shall be considered part of the Department of Revenue;

27 ~~(3) (2) Bond~~ means a general obligation bond,

1 redevelopment bond, lease-purchase bond, revenue bond, or  
2 combination of any such bonds;

3 ~~(4)~~ (3) Convention and meeting center facility means any  
4 real or personal property necessary for a convention and meeting  
5 center, including an auditorium, an exhibition hall, a facility for  
6 onsite food preparation and serving, an onsite, directly connected  
7 parking facility for the use of the convention and meeting center  
8 facility, and an administrative office of the convention and  
9 meeting center facility;

10 ~~(5)~~ (4) Eligible facility means any publicly owned  
11 convention and meeting center facility, sports arena facility,  
12 or hotel facility acquired, constructed, improved, or equipped  
13 after January 1, 1999;

14 ~~(6)~~ (5) General obligation bond means any bond or  
15 refunding bond issued by a political subdivision and which is  
16 payable from the proceeds of an ad valorem tax;

17 ~~(7)~~ Investment multiplier means the number of times  
18 spending induces additional spending on goods and services;

19 ~~(8)~~ New regional, national, or international event means  
20 a convention, meeting, trade show, or other educational function  
21 at which at least fifty percent of the participants are registered  
22 from a location outside Nebraska and which was not held in Nebraska  
23 during the three years prior to the completion of construction of  
24 the convention and meeting center facilities;

25 ~~(9)~~ Participant means a person registered to attend and  
26 shown to have attended a new regional, national, or international  
27 event at a convention and meeting center facility financed under

1 ~~the act,~~

2 (6) Hotel facility means any facility in which the public  
3 may, for a consideration, obtain sleeping accommodations and which  
4 is located within two hundred yards of a convention and meeting  
5 center facility or a sports arena facility;

6 ~~(10)~~ (7) Political subdivision means any local  
7 governmental body formed and organized under state law and any  
8 joint entity or joint public agency created under state law to act  
9 on behalf of political subdivisions which has statutory authority  
10 to issue general obligation bonds;

11 ~~(11)~~ (8) Revenue bond means any bond or refunding bond  
12 issued by a political subdivision which is limited or special  
13 rather than a general obligation bond of the political subdivision  
14 and which is not payable from the proceeds of an ad valorem tax;  
15 and

16 (9) Sports arena facility means any enclosed real or  
17 personal property used for observing competitive sports, including  
18 arenas, dressing and locker facilities, concession areas, parking  
19 facilities, and onsite administrative offices in connection with  
20 operating the facilities. ~~(12)~~ State tax revenue means the Nebraska  
21 income tax imposed pursuant to the Nebraska Revenue Act of 1967,  
22 the Nebraska sales and use tax imposed pursuant to the Nebraska  
23 Revenue Act of 1967, and the state tax imposed by section 81-1253.

24 Sec. 3. Section 13-2605, Revised Statutes Cumulative  
25 Supplement, 2006, is amended to read:

26 13-2605 (1) All applications for state assistance under  
27 the Convention Center Facility Financing Assistance Act shall be in

1 writing and shall include a certified copy of the approving action  
2 of the governing body of the applicant describing the ~~proposed~~  
3 eligible facility and the anticipated financing.

4 (2) The application shall contain:

5 (a) A description of the ~~proposed~~ financing of the  
6 eligible facility, including the estimated principal and interest  
7 requirements for the bonds proposed to be issued in connection  
8 with the eligible facility or the amounts necessary to repay the  
9 original investment by the applicant in the eligible facility;

10 ~~(b) The estimated number of participants and the~~  
11 ~~estimated amount of the spending impact of these participants on~~  
12 ~~attributable revenue;~~

13 ~~(c) A specific listing of the investment multipliers~~  
14 ~~suggested for use in evaluating the application;~~

15 ~~(d) Estimates of attributable revenue based on the~~  
16 ~~investment multipliers;~~

17 ~~(e) (b) Documentation of local financial commitment to~~  
18 ~~support the project, including all public and private resources~~  
19 ~~pledged or committed to the project; and~~

20 ~~(f) (c) Any other project information deemed appropriate~~  
21 ~~by the board.~~

22 (3) Upon receiving an application for state assistance,  
23 the board shall review the application and notify the applicant of  
24 any additional information needed for a proper evaluation of the  
25 application.

26 (4) Any state assistance received pursuant to the act  
27 shall not be used for any private purpose.

1           Sec. 4. Section 13-2607, Revised Statutes Cumulative  
2 Supplement, 2006, is amended to read:

3           13-2607 (1) After consideration of the application and  
4 the evidence, the board shall issue a finding of whether the  
5 convention and meeting center facility, sports arena facility, or  
6 hotel facility described in the application is eligible for state  
7 assistance.

8           (2) If the board finds that the facility described in the  
9 application is an eligible facility and that state assistance is in  
10 the best interest of the state, the application shall be approved.

11           (3) In determining whether state assistance is in the  
12 best interest of the state, the board shall consider ~~the amount~~  
13 ~~of attributable revenue estimated to be derived by the state from~~  
14 ~~the eligible facility~~ and the fiscal and economic capacity of the  
15 applicant to finance the local share of the eligible facility.

16           (4) A majority of the board members constitutes a quorum  
17 for the purpose of conducting business. All actions of the board  
18 shall be by a majority vote of all the board members, one of whom  
19 must be the Governor.

20           Sec. 5. Section 13-2609, Revised Statutes Cumulative  
21 Supplement, 2006, is amended to read:

22           13-2609 If an application is approved, the board shall  
23 annually:

24           (1) Audit or review audits of the approved convention and  
25 meeting center facility, sports arena facility, or hotel facility  
26 to determine the state sales tax revenue collected by retailers  
27 and operators doing business at such facilities, including primary

1 and secondary box office sales, merchandise sales, and contracted  
2 labor for which sales tax is paid; and number of participants at  
3 the facility that are registered from a location outside Nebraska  
4 and to assure the number of conventions which were not held in  
5 the state during the three years prior to the construction of the  
6 facility;

7           ~~(2)~~ Determine the amount of attributable revenue with  
8 regard to construction, improvement, or equipping of the eligible  
9 facility, employment at the eligible facility, and participants  
10 attending a new regional, national, or international event for  
11 which at least one-half of the participants were registered from a  
12 location outside Nebraska; and

13           ~~(2)~~ ~~(3)~~ Certify the amount of state sales tax revenue  
14 collected by retailers and operators doing business at such  
15 facilities, including primary and secondary box office sales,  
16 merchandise sales, and contracted labor for which sales tax is  
17 paid, attributable revenue to the State Treasurer.

18           Sec. 6. Section 13-2610, Revised Statutes Cumulative  
19 Supplement, 2006, is amended to read:

20           13-2610 (1) Upon the annual certification under section  
21 13-2609, the State Treasurer shall transfer after the audit  
22 the amount certified to the Convention Center Support Fund. The  
23 Convention Center Support Fund is created. Any money in the fund  
24 available for investment shall be invested by the state investment  
25 officer pursuant to the Nebraska Capital Expansion Act and the  
26 Nebraska State Funds Investment Act.

27           ~~(2)~~ (2)(a) It is the intent of the Legislature to

1 appropriate from the fund to any political subdivision for which  
2 an application for state assistance under the Convention Center  
3 Facility Financing Assistance Act has been approved an amount not  
4 to exceed seventy percent of the ~~attributable revenue, seventy-five~~  
5 ~~million dollars for any one approved project, or the cost of~~  
6 ~~acquiring, constructing, improving, or equipping the eligible~~  
7 ~~facility. state sales tax revenue collected by retailers and~~  
8 ~~operators doing business at such facilities, including primary and~~  
9 ~~secondary box office sales, merchandise sales, and contracted labor~~  
10 ~~for which sales tax is paid.~~ The money shall not be used for an  
11 operating subsidy or other ancillary facility.

12 (b) Ten percent of such funds appropriated to a city of  
13 the metropolitan class under this subsection shall be utilized for  
14 projects in areas with a high concentration of poverty to promote  
15 athletics and tourism.

16 (c) For purposes of this subsection, an area with a high  
17 concentration of poverty means an area in which the average poverty  
18 rate exceeds twenty percent for the total federal census tract or  
19 tracts or federal census block group or block groups in the area or  
20 within a reasonable proximity to the area when the area is located  
21 within the legal boundaries of a city of the metropolitan class.

22 (3) State assistance to the political subdivision shall  
23 no longer be available upon the retirement of the bonds issued  
24 to acquire, construct, improve, or equip the facility or any  
25 subsequent bonds that refunded the original issue. ~~or when the cost~~  
26 ~~of acquiring, constructing, improving, or equipping the eligible~~  
27 ~~facility exceeds seventy-five million dollars, whichever comes~~

1 ~~first.~~

2 (4) ~~It is the intent of the Legislature that the~~ The  
3 ~~remaining thirty percent of attributable revenue state sales tax~~  
4 ~~revenue collected by retailers and operators doing business at~~  
5 ~~such facilities, including primary and secondary box office sales,~~  
6 ~~merchandise sales, and contracted labor for which sales tax is~~  
7 ~~paid, shall be~~ appropriated by the Legislature to the Local Civic,  
8 Cultural, and Convention Center Financing Fund.

9 (5) Any municipality that has applied for and received a  
10 grant of assistance under the Local Civic, Cultural, and Convention  
11 Center Financing Act may not receive state assistance under the  
12 Convention Center Facility Financing Assistance Act.

13 Sec. 7. Section 13-2612, Revised Statutes Cumulative  
14 Supplement, 2006, is amended to read:

15 13-2612 The board shall not accept applications  
16 for assistance under the Convention Center Facility Financing  
17 Assistance Act shall terminate on after June 1, 2010. ~~2002, if no~~  
18 ~~applications for assistance have been approved prior to such date.~~

19 Sec. 8. Section 13-2706, Revised Statutes Cumulative  
20 Supplement, 2006, is amended to read:

21 13-2706 Any municipality, except a city of the  
22 ~~metropolitan class,~~ that has received funding under the Convention  
23 Center Facility Financing Assistance Act, may apply for a grant  
24 of assistance from the fund. Application shall be made on forms  
25 developed by the department.

26 Sec. 9. Original sections 13-2602, 13-2603, 13-2605,  
27 13-2607, 13-2609, 13-2610, 13-2612, and 13-2706, Revised Statutes

1 Cumulative Supplement, 2006, are repealed.

2 Sec. 10. The following section is outright repealed:

3 Section 13-2608, Revised Statutes Cumulative Supplement, 2006.

4 Sec. 11. Since an emergency exists, this act takes effect  
5 when passed and approved according to law.

6 2. On page 1, strike beginning with "13-2601" in  
7 line 2 through line 11 and insert "13-2602, 13-2603, 13-2605,  
8 13-2607, 13-2609, 13-2610, 13-2612, and 13-2706, Revised Statutes  
9 Cumulative Supplement, 2006; to provide for state sales tax revenue  
10 appropriations to the Convention Center Support Fund and the Local  
11 Civic, Cultural, and Convention Center Financing Fund; to change  
12 and eliminate provisions relating to attributable revenue, eligible  
13 facilities, and receipt of funding; to define and redefine terms;  
14 to eliminate a termination date; to harmonize provisions; to  
15 repeal the original sections; to outright repeal section 13-2608,  
16 Revised Statutes Cumulative Supplement, 2006; and to declare an  
17 emergency."